affidavit proposing certain amendments in the Act to meet the concerns raised in the Writ Petitions. Consequently, the Supreme Court closed the Writ Petition declining to pronounce on the matters argued before it, leaving open all questions regarding the validity of the enactment to be decided after the amendment of the Act. Accordingly, amendments to the Competition Act are under examination of the Government. These are expected to be introduced shortly with appropriate approvals. After the amendments are enacted, the Commission would be made fully functional.

Income from outsourcing consultancy services

167. SHRIMATI SUKHBANS KAUR: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether India has emerged as a leader in the ITES sector in regard to outsourcing consultancy services;

(b) if so, the total income from such services during 2002,2003,2004 and that expected during the current year, from Western European countries, US and Canada and other outsourcing countries;

(c) the percentage of world ITES outsourcing business transacted during these years captured and performed by consultancy players in India during these years; and

(d) the other competing countries in the business, and what incentives are given and being given to Indian players in the business?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) and (b) Yes Sir. The total IT Software exports and exports from ITES sector (outsourcing) during the years 2002 to 2005 are as follows:

(in Rs. Crore)

Year	Total IT Software Exports (including ITES)	ITES
2002-03	46,100	10,500
2003-04	58,240	16,500
2004-05	78,230	23,300
2005-06 (Expected)	100,000 (USD 22.5 billion)	32,000 (USD 7.3 billion)

(c) The export of total IT software & services including ITES from India during the years 2003-04 and 2004-05 accounted for approximately 2.2% and 2.8% of the estimated world IT Software and Services Market. India's ITES export during the year 2004-05 accounts for a share of about 5% of world ITES market.

(d) China, Eastern Europe, Pakistan, Philippines, Mexico, Malaysia, South Africa are other competing countries. The steps taken by the Government to promote export of software are given in the statement.

Statement

Steps taken by the Government to promote the export of IT Software

1. Approvals for all foreign direct investment proposals relating to the Information Technology Sector, with the exception of Business-to-Consumer (B2C>e-commerce are under the automatic route.
2. Peak rate of customs duty is 15% Customs duty on Computers and Peripherals is zero %. Excise duty on computers is zero %. Microprocessors, Hard Disc Drives, Floppy Disc Drives and CD ROM Drives continue to be exempt from excise duty.
3. Export Promotion Capital Goods scheme (EPCG) allows capital goods on payment of 5% customs duty. The Export Obligation under the scheme is linked to the duty saved and is 8 times the duty saved on capital goods imported, to be fulfilled over a period of 8 years.
4. 100% depreciation is available to computers and computer peripherals over a period of 5 years for units under Export Oriented units (EOU)/Software Technology Park (STP)/Special Economic Zone (SEZ) schemes.
5. Information Technology Software is exempted from Customs and Excise Duty.
6. EOU/STP units are eligible for Income Tax exemption on export profits, upto 2010, in terms of Sections 10A and 10B of the Income Tax Act. 100% Income Tax exemption on export profits available to SEZ units for 5 years, 50% for next 5 years and 50% of ploughed back profits for 5 years thereafter.

7. Income by way of dividends or long-term capital gains of a Venture Capital Fund (VCF) or Venture Capital company from investment made by way of equity shares in a Venture Capital Undertaking, which has been expanded to include the Software and IT sectors, will henceforth not be included in computing the total income. To give thrust to Venture Capital finance, SEBI has been made the single point nodal agency for registration and regulation of both domestic and overseas venture capital funds.

8. Information Technology Act, 2000 dealing with Cyber Security, Cyber Crime and other information security related legal aspects is in place to encourage expansion of e-commerce through internet.

Withdrawal of ITS officers from BSNL and MTNL

168. SHRI VEDPRAKASH P. GOYAL: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the factual position about Government withdrawing ITS officers from BSNL and MTNL;

(b) the number of officers withdrawn and the justification behind this move;

(c) whether this move would help jeopardize the services of MTNL/ BSNL and help the private operators; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) to (d) On corporatisation of service providing functions of the Department of Telecommunications, officers working in Department of Telecom Services (DTS) and Department of Telecom Operations (DTO) were transferred to Bharat Sanchar Nigam Limited (BSNL)/Mahanagar Telephone Nigam Limited (MTNL) on deemed deputation basis. These officers were required to be given option for absorption in BSNL/MTNL or revert back to the Government. Accordingly about 3,97,000 employees belonging to Group B, C and D gave their respective option, and their absorption process (Group B in MTNL and Group B, C and D in BSNL) was completed by